

FISCAL NOTE
SB 747 - HB 1008

April 9, 2001

SUMMARY OF BILL: Increases premium taxes paid by insurance companies, health maintenance organizations, and similar entities.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Exceeds \$10,000,000

Estimate assumes:

	<u>Premiums</u>	<u>Current Tax Rate</u>	<u>Current Premium Tax</u>	<u>Projected Tax Rate</u>	<u>Projected Premium Tax</u>
1.Life	\$ 2,708,942,171	1.75%	\$ 47,406,488	2.75%	\$ 74,495,910
2.Accident & Health	1,497,809,371	1.75%	26,211,664	2.75%	41,189,758
3.Property & Casualty	4,256,021,373	2.50%	106,400,534	3.50%	148,960,748
4.HMO	4,145,912,050	2.00%	82,918,241	2.50%	103,647,801
5.Workers' Comp	568,091,450	4.00%	22,723,658	5.00%	28,404,572
6.Workers' Comp - Self Insurance	<u>245,336,150</u>	4.00%	<u>9,813,446</u>	5.00%	<u>12,266,807</u>
TOTAL	<u>\$13,422,112,565</u>		<u>\$295,474,031</u>		<u>\$408,965,596</u>

The difference between the current premium tax collected and the maximum premium tax that could be collected under the provisions of this bill is approximately \$113,491,565. This is the maximum amount of revenue that could be realized. The actual revenue increase depends upon the reciprocity of tax treatment pursuant to TCA 56-4-218.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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